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SUBJECT: PAUL OGALIK REELECTED AS PREMIER OF NUNAVUT

REF: 03 QUEBEC 163

1. (U) March 5, sitting Premier Paul Okalik received the consensus to continue as Premier of Nunavut over contender Tagak Curley, the MLA from Rankin Inlet. Ogalik brings his strengths of experience (he has had 5 years as Premier) and education, which includes a law degree, to the job. Now that Ogalik is back at the helm, he has to face many fiscal and social challenges.

2. (U) Jobs, housing, education and health are the bread-and-butter issues of most elections in Canada; however, in the eastern Arctic, these concerns are in the context of a debate over modernizing and retaining traditional Inuit practices. The non-partisan system established in Nunavut in 1999 allows candidates to run on their own platforms, without political party guidelines. In the February 16 general election, 82 candidates ran for the 19 seats in the legislature. Fundamentalist Christian beliefs versus secularism were a force in the territorial election and played into the contest for Premier. "Third party" groups worked to support candidates, most notably Nunavut's labor movement and the rapidly growing fundamentalist Christian movement. The former pressed for social justice and human rights; the latter, a loosely organized network of churches and bible study groups over the territory, have pressed for traditional Inuit cultural values.

3. (SBU) Ogalik is a confident, articulate, liberal modernist, intent on moving Nunavut in the secular Canadian mainstream. He has created awareness of Nunavut nationally, successfully negotiating with the Prime Minister on issues such as increased health benefits for the territory, and participating at Premiers' conferences. He ably represents Nunavut in international fora, and has visited aboriginal communities from Alaska to Australia. That he wanted to continue as Premier is evidence that he has a high tolerance for dealing with difficult financial responsibilities and pressing social problems that resist easy solutions. He moves easily between Inuit and non-Inuit culture. He is bilingual in English and spent several weeks in Quebec last year doing French immersion. That having been said, he comes across as a person well integrated into Inuit culture - simple and straightforward. He can be found standing in line at Inuit traditional feasts and walks around Iqaluit without a bodyguard or a retinue.

4. (SBU) On the other hand, these strengths of flexibility and cross cultural ease can be perceived as liabilities by the more traditional Inuit, who are concerned about the erosion of Inuit culture and language, and specifically "modernist" thinking, e.g. the Human Rights Bill, passed in the fall of 2003, includes protections for gays. Curley, while the loser in the race for Premier, had considerable support in the community, and acknowledged he was reentering politics to protest the territory's human rights legislation. Traditionalists also worry that Ogalik has not done enough on economic development and employment for Inuit.

5. (U) Diamond mine development, a source of future revenue, remains a distant promise, although three new mines in the Kivalliq and Kitikmeot regions may start producing within the life of the new Nunavut government. For now, Nunavut remains almost entirely dependent on transfer payments from Ottawa to support its administration and services for the 27,000 Nunavummiut. The Conference Board of Canada estimated in a study released in early February that with the current annual capital budget of \$75 million, Nunavut "will incur an infrastructure investment shortfall of \$40-50 million annually for the next five years." The absence of roads, ports and other facilities is already causing developmental distortions, the study says. "The lack of infrastructure has led to a concentration of exploration activities on or near coastal waters, while inland resources are left stranded." The study also painted a grim picture of increased strains on the Eastern Arctic society as younger Inuit reach working age to be faced with no jobs, increasing housing shortages and criminality. "Nunavut is the only jurisdiction in Canada to have a higher rate of violent crimes than property crimes: overcrowding no doubt adds to the problems" the study concludes.

6. (SBU) To improve the territory's fiscal situation, Ogalik

will certainly be working to capitalize on better relations with a federal government that may be more responsive to the needs of the Arctic territory. Conversations with him in Iqaluit last year and more recently with his staff reenforce his conviction that Nunavut must eventually gain control over non-renewable resources and get a share of resource revenues through what is now called a "devolution" agreement, i.e. the transfer of responsibility for mining, oil and gas exploration and development from Ottawa to Nunavut. Such a deal would see the GN getting a share of renewable resource royalties. Another priority is a larger share of fishing quota in waters adjacent to Nunavut. More costly, and probably even more remote, would be an economic development agreement between Ottawa and Nunavut. Nunavut's Sivummut Economic Development Group presented Ottawa with a proposal last December to create a new 5-year, \$66 million Economic Development Agreement. So far, however, there has been little or no response from the federal government.

17. (SBU) On more day-to-day issues, Premier Ogalik will be facing social challenges such as reducing suicide rates and instituting new programs for inmates to reduce violent crime. He will oversee implementation of the Wildlife Act that assists the management of wildlife issues with elders, as well as the controversial Human Rights Act. As a top priority, he needs to increase the proportion of Inuit working in the Nunavut Government, which means preparing more young Inuit in post secondary education. In Nunavut, government jobs are the main source of work, but currently less than half of these are filled by Inuit. Climate change, that is already affecting the North-West Passage and hunting conditions are other concerns. These will be among the issues that we will raise when the Ambassador visits Nunavut in April of this year.

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